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LIFE INSURANCE AS A DETERRENT OF WAR

By E. JAY WOHLGEMUTH

THE fact that life insurance has taken on tremendously greater proportions in the United States than in any other country of the world is in itself a proof that this country is fundamentally a peace country rather than a war country. Life insurance, in all its aspects, is directly opposed to war. It is one of the greatest forces for the conservation of human life, and its unparalleled progress in this country is due to an appreciation of the value of human life. The value of a human life in the United States is greater than in other countries of the globe, and hence it is that life insurance has taken on greater proportions here than elsewhere.

The United States Chamber of Commerce has recently reported upon the votes taken of the members of its constituent bodies in favor of applying economic pressure, and finally, if necessary, military pressure, to prevent nations going to war. If this pressure is to be exerted by the business men of the United States upon other nations which engage in war, it may be interesting to show some of the forms of economic pressure which are already or should be active in forming the opinion of this country against engaging in war. One of the greatest, if not the greatest, of these economic influences is that of life insurance. Considering only the old line legal reserve life insurance companies, we have in force at the present time upwards of \$20,000,000,000 of life insurance, most of which is upon citizens who have been chosen for membership in these companies in much the same manner and according to the same standards that citizens are chosen for military service, namely, by medical selection.

The life insurance in force upon women is comparatively small; and in this country, to a much greater extent than in Europe, life insurance has been placed upon the lives of young and middle-aged men suited to military service. The great body of life insureds in this country are made up of healthy, income-producing, self-reliant citizens, who would be the first to recognize their responsibility to the nation if they were needed for its defense, as they were prompt to realize their responsibilities to their families and dependents in the event of their death.

Unlike life insurance in the European countries, there is comparatively little at risk in this country, which includes any form of the military and naval-service clause. In Europe the companies have protected themselves, in

anticipation of the war which finally came, either by reducing the amount that would be paid in the event of death by war to that of the "reserve" accumulated on the policies or reserved the right to charge an adequate additional premium to cover the extra war hazard. It is said that even in so stormy a section as the Balkans the companies so far have actually made money out of the additional premium charged for the war hazard.

The American companies have gradually removed these restrictions until most of the policies now in force make the companies liable for the face amount, without the payment of additional premiums or any other restrictive provisions.

The history of the military and naval clause in life insurance in this country since the Civil War is in itself an interesting commentary on American war and peace sentiment. After the Civil War most of the companies inserted in their policies restrictive clauses, which would have protected them against serious loss in case of a general war, but as confidence was restored and it came to be felt that the world had seen its last great war—the mortality from this cause would in all likelihood be negligible—these restrictions were removed. No doubt the action of the life insurance companies reflected the general feeling on the subject.

It is interesting to note that during the last year the life insurance companies have shown a tendency to re-adopt the old restrictive clauses, but these could not be made to apply on the great bulk of life insurance already issued and in force. Today the American public has a \$20,000,000,000 stake through its life insurance alone in the war hazard. Furthermore, most of the insurance is on the "mutual" or "participating" plan, which means that the extra deaths through war would be a direct assessment upon the surviving policy-holders. This would take the form, first, of a decrease in the surplus of the various companies; and, second, after the surplus was reduced to the danger point, upon the dividend distributions.

While this is the economic side of life insurance and represents the "economic pressure" which that institution exerts in the present crisis, it is also to be observed that the immense publicity and educational campaigns which life insurance is constantly waging through its literature and its vast army of agents is against war and the destruction of life values.

BRIEF PEACE NOTES

... Since the outbreak of the war there have been formed in the Netherlands two important organizations working for peace—the "Nederlandsche Anti-Oorlog Raad" (Dutch Anti-war Council) and the "Central Organization for a Durable Peace." The former was founded, as reported in the December number of the *ADVOCATE*, October 8, 1914. It took the initiative by calling together an international meeting, which was

held at The Hague from April 7 to 10, 1915, a meeting which was attended by prominent men from the United States, Austria, Belgium, Germany, Great Britain, Holland, Hungary, Norway, Sweden, and Switzerland. Sympathizers in Denmark, France, Italy, and Spain sent encouraging messages. This International Conference decided on a "Minimum Program for a Durable Peace," to which we have already referred and which may be